

About 2 billion people live in countries that are in danger of collapse. In the first annual Failed States Index, FOREIGN POLICY and the Fund for Peace rank the countries about to go over the brink.



America is now threatened less by conquering states than we are by failing ones." That was the conclusion of the 2002 U.S. National Security Strategy. For a country whose foreign policy in the 20th century was dominated by the struggles against powerful states such as Germany, Japan, and the Soviet Union, the U.S. assessment is striking. Nor is the United States alone in diagnosing the problem. U.N. Secretary-General Kofi Annan has warned that "ignoring failed states creates problems that sometimes come back to bite us." French President Jacques Chirac

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has spoken of "the threat that failed states carry for the world's equilibrium." World leaders once worried about who was amassing power; now they worry about the absence of it.

Failed states have made a remarkable odyssey from the periphery to the very center of global politics. During the Cold War, state failure was seen through the prism of superpower conflict and was rarely addressed as a danger in its own right. In the 1990s, "failed states" fell largely into the province of humanitarians and human rights activists, although they did begin to consume the attention of the world's sole superpower, which led interventions in Somalia, Haiti, Bosnia, and Kosovo. For so-called foreign-policy realists, however, these states and the problems they posed were a distraction from weightier issues of geopolitics.

Now, it seems, everybody cares. The dangerous exports of failed states—whether international terrorists, drug barons, or weapons arsenals—are the subject of endless discussion and concern. For all the newfound attention, however, there is still uncertainty about the definition and scope of the problem. How do you know a failed state when you see one? Of course, a government that has lost control of its territory or of the monopoly on the legitimate use of force has earned the label. But there can be more subtle attributes of failure. Some regimes, for example, lack the authority to make collective decisions or the capacity to deliver public services. In other countries, the populace may rely entirely on the black market, fail to pay taxes, or engage in large-scale civil disobedience. Outside intervention can be both a symptom of

and a trigger for state collapse. A failed state may be subject to involuntary restrictions of its sovereignty, such as political or economic sanctions, the presence of foreign military forces on its soil, or other military constraints, such as a no-fly zone.

How many states are at serious risk of state failure? The World Bank has identified about 30 "low-income countries under stress," whereas Britain's Department for International Development has named 46 "fragile" states of concern. A report commissioned by the CIA has put the number of failing states at about 20.

To present a more precise picture of the scope and implications of the problem, the Fund for Peace, an independent research organization, and FOREIGN POLICY have conducted a global ranking of weak and failing states. Using 12 social, economic, political, and military indicators, we ranked 60 states in order of their vulnerability to violent internal conflict. (For each indicator, the Fund for Peace computed scores using software that analyzed data from tens of thousands of international and local media sources from the last half of 2004. For a complete discussion of the 12 indicators, please go to www.ForeignPolicy.com or www.fundforpeace.org.) The resulting index provides

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a profile of the new world disorder of the 21st century and demonstrates that the problem of weak and failing states is far more serious than generally thought. About 2 billion people live in insecure states, with varying degrees of vulnerability to widespread civil conflict.

The instability that the index diagnoses has many faces. In the Democratic Republic of the Congo or Somalia, state failure has been apparent for years, manifested by armed conflict, famine, disease outbreaks, and refugee flows. In other cases, however, instability is more elusive. Often, corrosive elements have not yet triggered open hostilities, and pressures may be bubbling just below the surface. Large stretches of lawless territory exist in many countries in the index, but that territory has not always been in open revolt against state institutions.

The Rankings

In the table, the columns highlight the 12 political, economic, military, and social indicators of instability. Higher scores (in black) represent more instability; lower scores (in white) suggest less.

Conflict may be concentrated in local territories seeking autonomy or secession (as in the Philippines and Russia). In other countries, instability takes the form of episodic fighting, drug mafias, or warlords dominating large swaths of territory (as in Afghanistan, Colombia, and Somalia). State collapse sometimes happens suddenly, but often the demise of the state is a slow and steady deterioration of social and political institutions (Zimbabwe and Guinea are good examples). Some countries emerging from conflict may be on the mend but in danger of backsliding (Sierra Leone and Angola). The World Bank found that, within five years, half of all countries emerging from civil unrest fall back into conflict in a cycle of collapse (Haiti and Liberia).

The 10 most at-risk countries in the index have already shown clear signs of state failure. Ivory Coast, a country cut in half by civil war, is the most vulnerable to disintegration; it would probably collapse completely if U.N. peacekeeping forces pulled out. It is followed by the Democratic Republic of the Congo, Sudan, Iraq, Somalia, Sierra Leone, Chad, Yemen, Liberia, and Haiti. The index includes others whose instability is less widely acknowledged, including Bangladesh (17th), Guatemala (31st), Egypt (38th), Saudi Arabia (45th), and Russia (59th).

Weak states are most prevalent in Africa, but they also appear in Asia, Eastern Europe, Latin America, and the Middle East. Experts have for years discussed an "arc of instability"—an expression that came into use in the 1970s to refer to a "Muslim Crescent" extending from Afghanistan to the "Sams" in the southern part of the former Soviet Union. Our study suggests that the concept is too narrow. The geography of weak states reveals a territorial expanse that extends from Moscow to Mexico City, far wider than an "arc" would suggest, and not limited to the Muslim world.

The index does not provide any easy answers for those looking to shore up countries on the brink. Elections are almost universally regarded as helpful in reducing conflict. However, if they are rigged, con-

Rank	Total	Country	Indicators of Instability											
			Demographic Pressures	Refugees and Displaced Persons	Group Cohesion	Human Rights	Development	Economic Decline	Democratization	Public Services	Human Rights	Security Apparatus	Centralized Institutions	External Intervention
1	21	Sierra Leone	90	90	90	90	90	90	90	90	90	90	90	90
2	22	Ivory Coast	90	90	90	90	90	90	90	90	90	90	90	90
3	23	Sudan	90	90	90	90	90	90	90	90	90	90	90	90
4	24	Democratic Republic of the Congo	90	90	90	90	90	90	90	90	90	90	90	90
5	25	Guinea	90	90	90	90	90	90	90	90	90	90	90	90
6	26	Yemen	90	90	90	90	90	90	90	90	90	90	90	90
7	27	Chad	90	90	90	90	90	90	90	90	90	90	90	90
8	28	Liberia	90	90	90	90	90	90	90	90	90	90	90	90
9	29	Haiti	90	90	90	90	90	90	90	90	90	90	90	90
10	30	Angola	90	90	90	90	90	90	90	90	90	90	90	90
11	31	Guatemala	90	90	90	90	90	90	90	90	90	90	90	90
12	32	Uganda	90	90	90	90	90	90	90	90	90	90	90	90
13	33	Kenya	90	90	90	90	90	90	90	90	90	90	90	90
14	34	Malawi	90	90	90	90	90	90	90	90	90	90	90	90
15	35	Senegal	90	90	90	90	90	90	90	90	90	90	90	90
16	36	Sierra Leone	90	90	90	90	90	90	90	90	90	90	90	90
17	37	Bangladesh	90	90	90	90	90	90	90	90	90	90	90	90
18	38	Egypt	90	90	90	90	90	90	90	90	90	90	90	90
19	39	Saudi Arabia	90	90	90	90	90	90	90	90	90	90	90	90
20	40	Russia	90	90	90	90	90	90	90	90	90	90	90	90
21	41	India	90	90	90	90	90	90	90	90	90	90	90	90
22	42	China	90	90	90	90	90	90	90	90	90	90	90	90
23	43	United States	90	90	90	90	90	90	90	90	90	90	90	90
24	44	France	90	90	90	90	90	90	90	90	90	90	90	90
25	45	United Kingdom	90	90	90	90	90	90	90	90	90	90	90	90
26	46	Germany	90	90	90	90	90	90	90	90	90	90	90	90
27	47	Italy	90	90	90	90	90	90	90	90	90	90	90	90
28	48	Spain	90	90	90	90	90	90	90	90	90	90	90	90
29	49	Japan	90	90	90	90	90	90	90	90	90	90	90	90
30	50	South Korea	90	90	90	90	90	90	90	90	90	90	90	90
31	51	China	90	90	90	90	90	90	90	90	90	90	90	90
32	52	India	90	90	90	90	90	90	90	90	90	90	90	90
33	53	United States	90	90	90	90	90	90	90	90	90	90	90	90
34	54	France	90	90	90	90	90	90	90	90	90	90	90	90
35	55	United Kingdom	90	90	90	90	90	90	90	90	90	90	90	90
36	56	Germany	90	90	90	90	90	90	90	90	90	90	90	90
37	57	Italy	90	90	90	90	90	90	90	90	90	90	90	90
38	58	Spain	90	90	90	90	90	90	90	90	90	90	90	90
39	59	Japan	90	90	90	90	90	90	90	90	90	90	90	90
40	60	South Korea	90	90	90	90	90	90	90	90	90	90	90	90

dictated during active fighting, or attract a low turnout, they can be ineffective or even harmful to stability. Electoral democracy appears to have had only a modest impact on the stability of states such as Iraq, Rwanda, Kenya, Venezuela, Nigeria, and Indonesia. Ukraine ranks as highly vulnerable in large part because of last year's disputed election.

What are the clearest early warning signs of a failing state? Among the 12 indicators we use, two consistently rank near the top. Uneven development is high in almost all the states in the index, suggesting that inequality within states—and not merely poverty—increases instability. Criminalization or

delegitimization of the state, which occurs when state institutions are regarded as corrupt, illegal, or ineffective, also figured prominently. Facing this condition, people often shift their allegiances to other leaders—opposition parties, warlords, ethnic nationalists, clergy, or rebel forces. Demographic factors, especially population pressures stemming from refugees, internally displaced populations, and environmental degradation, are also found in most at-risk countries, as are consistent human rights violations. Identifying the signs of state failure is easier than crafting solutions, but pinpointing where state collapse is likely is a necessary first step.

Going Critical

For those near the epicenter, state failure is always frightening. State failure with nuclear weapons could be a nightmare for everyone. Four countries in this ranking are particularly worrisome because of the nuclear capabilities or ambitions they harbor. North Korea, with an insular regime and a hostile worldview, is 13th on the list of countries at risk of collapse. Pakistan, ranked 34th, has a substantial arsenal. Iran, which the United States accuses of seeking weapons, is ranked 57th, still in the danger zone. Russia, with its massive nuclear arsenal, is 59th. If any of these regimes begin to reenter a mad dash to secure the nukes (or their building blocks) will surely follow.

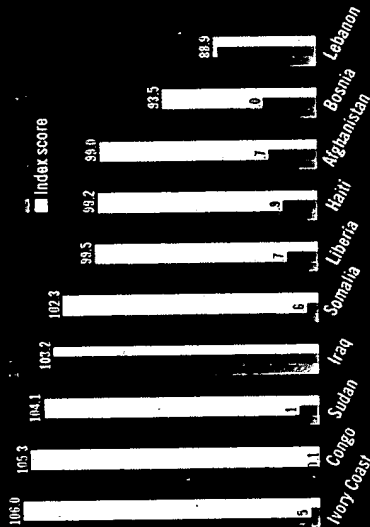
Recent history offers a best-case scenario for how these weapons can be rounded up. The new states of Ukraine, Belarus, and Kazakhstan had nuclear weapons on their territory when the Soviet Union disintegrated in 1991. After intensive negotiations, they eventually agreed to cede them and later joined the Nuclear Non-Proliferation Treaty (NPT). In all, about 3,400 warheads were returned to Russia. Likewise, South Africa gave up its entire nuclear program when the

apartheid regime negotiated a transition to majority rule in 1989. The country later joined the NPT, and inspectors verified the end of its nuclear weapons program.

The chances of securing warheads in the event of a state's failure depend on how the failure unfolds. If the collapse is accompanied by large-scale looting and civil disorder, the job may be next to impossible. The failure of coalition military forces to secure sensitive sites in Iraq is a sobering lesson. The presence of radical Islamic groups in Pakistan makes its nuclear arsenal a particular concern. It has even been reported that the Pentagon has contingency plans for securing Pakistani nukes in the case of a coup or civil strife, but experts admit that hunting down these weapons on short notice would be a long shot at best.

Hot Weapons

Country	Index Ranking	Nuclear Status
Pakistan	13	Not known whether nuclear warheads have been developed. Fissile material sufficient for between one and five nuclear devices.
Iran	34	Between 24 and 48 nuclear warheads. Fissile material for up to 50 nuclear devices.
Russia	57	No warheads. Uranium enrichment program and fissile weapons program.
	59	Approximately 7,200 nuclear weapons.



Out of Sight

What happens if a state fails and nobody notices? The reality is not far off in several parts of the world. We compared the index scores with the number of stories written about the countries per capita. Iraq dwarfs other at-risk states in terms of media attention: It receives more than five times the coverage that Afghanistan and Bosnia do. The most at-risk states, such as Ivory Coast, Somalia, and the Democratic Republic of the Congo, barely register on the media's screens.

When the Mighty Fall

When a large state falls, everyone hears about it—and some unlucky neighbors may even be brought down with it. Countries in the index's danger zone include Indonesia (242 million people), Pakistan (162 million), Russia (143 million), and Nigeria (129 million). The Democratic Republic of the Congo (60 million) has in many ways already failed more than once, and it is estimated that the resulting conflicts and disease have probably taken at least 3 million lives. The recent experiences of Congo and the former Yugoslavia suggest that state failure on this scale can spin off smaller conflicts that create regional unrest and humanitarian crises. Congo's collapse was, in part, precipitated by Rwanda's turmoil, and it led to the military involvement of at least seven other states. Termed "Africa's first world war," the Congo conflict raised the specter of entire failed regions. Yugoslavia's disintegration, which, when

compared to other states, was relatively small, sent refugees pouring into Western Europe and destabilized several neighboring countries. Only after three years and more than 250,000 deaths did the U.S.-led NATO forces restore order.

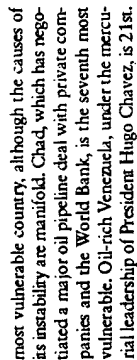
Outside intervention to address state failure becomes a tougher proposition when a large state is in its death throes. On the positive side, because the stakes are so high, a politically and diplomatically engaged international community is more likely. However, the logistical and troop requirements necessary for any effective humanitarian intervention or peacekeeping mission—whether welcomed or not—could be overwhelming. Attempting to establish order in Iraq, which has a population of only 26 million, has stretched the limits of the world's most capable military. If the failed state were four times as large, it could make the slog in Iraq look like a cakewalk.

AP/WIDEWORLD

The discovery of large oil and gas reserves has been a boon to many national economies, and countries often spend decades trying to strike it rich. But is black gold actually good for stable government?

Political scientists have coined the term "pet-rotate" to describe a country that is dependent on income from oil and gas yet plagued by weak institutions, a poorly functioning public sector, and a gross disparity of power and wealth. Some experts have argued that large oil economies often stunt the development of stable, transparent institutions—a phenomenon that has been labeled the "resource curse." José Ramos-Horta, the foreign minister of East Timor, has openly worried that his small country might not be able to handle the temptations that will arise when it begins to exploit its offshore oil and gas fields with Australia's help. "While oil and gas revenues can be a blessing," Ramos-Horta has said, "we are conscious that our public administration, our Treasury, and other branches of government are very weak."

The index suggests that many states with oil and gas are indeed vulnerable. Iraq, home to the world's second-largest oil reserves, is the fourth



Most of the energy-rich states, however, are clustered toward the back of the index, indicating that they are vulnerable but have also managed to craft and preserve a semblance of stability. These states—Saudi Arabia, Indonesia, Bahrain, and Nigeria, among others—have filled their coffers with oil money. But those funds may come at a steep political cost.

Seven of the 10 weakest states are in Africa. Several states, including Liberia, the Democratic Republic of the Congo, and Sierra Leone, have suffered large-scale civil wars. Sudan is in the midst of what some observers have termed a genocide. Is Africa doomed to remain the No. 1 manufacturer of failed states?

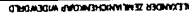
A decade ago, there was considerable hope that South Africa and Nigeria could help fill the continent's governance gap. Today, that hope is much diminished. South African President Thabo Mbeki racks up frequent flyer miles trying to resolve many African crises, but his interventions have often lacked follow-up. South Africa has sent troops to join the peacekeeping missions in Congo and Darfur, but it lacks the resources—including

The limits of South African diplomacy are particularly apparent in Zimbabwe, where strongman President Robert Mugabe has presided over his country's downward spiral (it now ranks as the 15th most at-risk country). Mbeki has opted for what he calls "quiet diplomacy" toward Mugabe, but many observers believe that South Africa is propping up a dictator rather than preventing a looming political meltdown.

Nigeria, Africa's most populous country, is itself a weak state (ranking 54th). Its current government is consumed by cleaning up corruption and mediating serious sectarian tension at home. Even if Nigeria can overcome its own challenges, it is in no position to export stability.

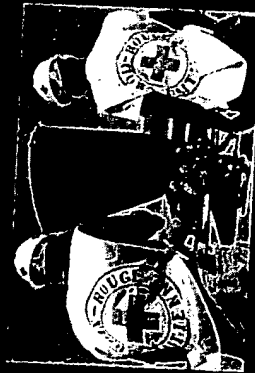


Power, as Mao said, may come from the barrel of a gun, but a lot of gun barrels don't necessarily produce a powerful state. We compared the index rankings to state spending on the military and found that weak states come with small, medium, large, and super-sized defense budgets. Yemen is the eighth most vulnerable state, spending a whopping 7.8 percent of its gross domestic product on the military. The most vulnerable state, Ivory Coast, spends only 1.2 percent. Liberia and the Democratic Republic of the Congo also have small defense budgets. A large military is no sign of stability, however: Five of the world's top 10 military spenders (as a percentage of gross domestic product)—Eritrea, Angola, Saudi Arabia, Yemen, and Bahrain—are vulnerable states.





When countries give foreign economic aid, they have many motivations: humanitarian impulses, strategic concerns, interest group politics, and simple bureaucratic inertia. We compared the amount of foreign aid countries receive per capita with the index rankings and found that the countries at greatest risk of collapse often get paltry amounts of aid. The exceptions appear to be countries that have been the recipients of large-scale international military intervention. Afghanistan, Bosnia, the Democratic Republic of Sierra Leone are high-risk states that get above-average aid. A significant number of high-risk states receiving aid from governments, suggesting that the population



Sierra Leone are high-risk states that get above-average foreign aid (Bosnia gets the most by far). A significant number of high-risk states receiving little aid, such as Sudan and North Korea, have corrupt governments, suggesting that the populations are suffering for the sins of their leaders.

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Foreign intervention is not a cure-all for states on the edge. The Democratic Republic of the Congo, which hosts a 16,000 member U.N. peacekeeping force, ranks second in the index. Iraq is the fourth most vulnerable country, Haiti is 10th, Afghanistan is 11th, and Bosnia claims the 21st spot.

Congo, Haiti, and Sudan are recipients of what might be termed peacekeeping on the cheap. In none of these countries is the multinational force strong enough to assert control over the country. The small African Union force in Sudan, for example, has failed to prevent ongoing atrocities in the Darfur region. Instead, the international forces in these places have, in some ways, become additional factions in environments already chock-full of warring camps.

Overwhelming intervention, like that employed in Bosnia in 1995, is at the other end

of the spectrum. There, foreign troops effectively installed an international protectorate for the ethnically divided country. Bosnia's standing in the index is surely better than it would have been if peacekeepers had never arrived. But some observers suggest that an overwhelming foreign presence has stunted the country's political development. Ten years after large-scale intervention, nobody thinks the peacekeepers can leave anytime soon.

Iraq and Afghanistan fall in between these two poles. In both countries, U.S.-led forces toppled existing governments, but they have steered away from establishing protectorates. Relatively quick elections put in place fragile new regimes that are now struggling to assert control. The fate of these experiments in nation

building will shape the menu of options for future foreign interventions. **FP**

Want to Know More?

More information on the methodology used in the FOREIGN POLICY/Fund for Peace Failed State Index is available at www.ForeignPolicy.com and on the Web site of the Fund for Peace at www.fundforpeace.org.

For a transnational look at responses to failed states, see the British study on state instability, *Investing in Prevention: An International Strategy to Manage Risks of Instability and Improve Crisis Response* (London: Prime Minister's Strategy Unit, 2005). The CIA's Directorate of Intelligence funded a study on state failure, and some of its findings can be read in *State Failure Task Force Report: Phase III Findings* (McLean: Science Applications International Corporation, 2000), prepared by Jack A. Goldstone, Ted Robert Gurr, and others.

Regional experts speculate about what will happen after strongmen fall in "The Day After" (FOREIGN POLICY, November/December 2003). Several good case studies of countries in conflict are available in *Ending Civil Wars: The Implementation of Peace Agreements* (Boulder-Lynne Rienner, 2002), edited by Stephen John Stedman, Donald Rothchild, and Elizabeth M. Cousens. Political scientist Francis Fukuyama emphasizes building basic state institutions in *State-Building: Governance and World Order in the 21st Century* (Ithaca: Cornell University Press, 2004). For a detailed look at how the United Nations has fared in recent state-building efforts, see *Yes, the People: The United Nations, Transitional Administration, and State-Building* (New York: Oxford University Press, 2004), by Simon Chesterman.

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